



## COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

<b>COUNCIL MEMBERS</b>	<b>REDEVELOPMENT AGENCY</b>
Dennis Kennedy, Mayor	Dennis Kennedy, Chair
Greg Sellers, Mayor Pro Tempore	Greg Sellers, Vice-Chair
Larry Carr, Council Member	Larry Carr, Agency Member
Hedy Chang, Council Member	Hedy Chang, Agency Member
Steve Tate, Council Member	Steve Tate, Agency Member

**WEDNESDAY, MAY 19, 2004**

**AGENDA**

**JOINT MEETING**

**CITY COUNCIL SPECIAL AND REGULAR MEETING**

**and**

**REDEVELOPMENT AGENCY SPECIAL MEETING**

**6:00 P.M.**

***A Special Meeting of the City Council and Redevelopment Agency is Called at 6:00 P.M. for the Purpose of Conducting Closed Sessions.***

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**Dennis Kennedy, Mayor/Chairman**

**CALL TO ORDER**

(Mayor/Chairperson Kennedy)

**ROLL CALL ATTENDANCE**

(City Clerk/Agency Secretary Torrez)

**DECLARATION OF POSTING OF AGENDA**

**Per Government Code 54954.2**

(City Clerk/Agency Secretary Torrez)

**6:00 P.M.**

## ***City Council Action and Redevelopment Agency Action***

### **CLOSED SESSION:**

**1.**

#### **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Authority: Government Code Sections 54956.9(b) & (c)  
Number of Potential Cases: 2

**2.**

#### **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Authority: Government Code section 54956.9(a)  
Case Name: Hacienda Valley Mobile Estates v. City of Morgan Hill  
Case Numbers: Santa Clara Superior Court, Case No. CV 80-7708;  
Ninth Circuit Court of Appeal, Case No. 02-15986

**3.**

#### **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Authority: Government Code 54957  
Public Employee Performance Evaluation: City Attorney  
Attendees: City Council, City Attorney

**4.**

#### **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Authority: Government Code section 54956.9(a)  
Case Name: Foye v. City of Morgan Hill  
Case Number: WCAB SJO 204468

### **OPPORTUNITY FOR PUBLIC COMMENT**

### **ADJOURN TO CLOSED SESSION**

### **RECONVENE**

### **CLOSED SESSION ANNOUNCEMENT**

**7:00 P.M.**

#### **SILENT INVOCATION**

#### **PLEDGE OF ALLEGIANCE**

#### **CITY COUNCIL REPORT**

Mayor Kennedy

#### **CITY COUNCIL SUB-COMMITTEE REPORTS**

**CITY MANAGER'S REPORT**

**CITY ATTORNEY'S REPORT**

**OTHER REPORTS**

**PUBLIC COMMENT**

**NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.**

(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME  
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND  
PRESENT IT TO THE CITY CLERK.**

(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE  
CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY  
COUNCIL/REDEVELOPMENT AGENCY.**

## ***City Council Action***

**CONSENT CALENDAR:**

**ITEMS 1-19**                      The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

**Time Estimate**

**Page**

**Consent Calendar: 1 - 10 Minutes**

1.     **RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDACS) 2004 QUARTERLY REPORT #1**..... 1  
      **Recommended Action(s): Accept and File** the RDACS First Quarter Report for 2004.
2.     **RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (MEASURE P) COMPETITION**  
      **SECOND YEAR PHASING REQUESTS**..... 21  
      **Recommended Action(s): Adopt** Resolution Approving Second Year Phasing into Fiscal Year 2006-2007  
      for Residential Projects in the 2003-2004 Small and Micro Project Competitions.
3.     **SUPPORT OF HIGH SPEED RAIL ROUTE**..... 25  
      **Recommended Action(s): Approve** the Resolution.
4.     **SUPPORT OF LEAGUE OF CALIFORNIA EFFORTS TO ADDRESS WILDLAND URBAN**  
      **INTERFACE FIRE ISSUES** ..... 29  
      **Recommended Action(s): Approve** the Resolution.
5.     **APRIL 2004 FINANCE & INVESTMENT REPORT**..... 37  
      **Recommended Action(s): Accept and File** Report.

	<b>Time Estimate</b>	<b>Page</b>
	<b>Consent Calendar: 1 - 10 Minutes</b>	
6.	<b><u>SUBDIVISION APPLICATION, SD-03-09: NATIVE DANCER-QUAIL MEADOWS</u></b> .....	<b>63</b>
	<b><u>Recommended Action(s):</u></b> <u>Take No Action</u> , Thereby Concurring with the Planning Commission's Decision Regarding Approval of the Subdivision Map.	
7.	<b><u>APPROVAL OF RESOLUTION PROVIDING COMPENSATION FOR CITY OF MORGAN HILL MANAGEMENT AND CONFIDENTIAL EMPLOYEES</u></b> .....	<b>91</b>
	<b><u>Recommended Action(s):</u></b> <u>Adopt</u> Management Resolution.	
8.	<b><u>APPOINTMENTS TO THE ARCHITECTURAL AND SITE REVIEW BOARD (ARB)</u></b> .....	<b>101</b>
	<b><u>Recommended Action(s):</u></b> <u>Approve</u> the Mayor's Appointment of Incumbent Board Members Lori Cain and Yarmila Kennett to Serve Two-Year Terms Expiring June 1, 2006.	
9.	<b><u>AQUATICS CENTER PROJECT – APRIL CONSTRUCTION PROGRESS REPORT</u></b> .....	<b>109</b>
	<b><u>Recommended Action(s):</u></b> <u>Information</u> Only.	
10.	<b><u>ACCEPTANCE OF CONSTRUCTION OF MAIN WELL NO. 2 AND SAN PEDRO WELL PROJECT</u></b> .....	<b>117</b>
	<b><u>Recommended Action(s):</u></b>	
	1. <u>Accept</u> as Complete the Construction of Main Well No. 2 and San Pedro Well Project in the Final Amount of \$686,928; and	
	2. <u>Direct</u> the City Clerk to File a Notice of Completion with the County Recorder's Office.	
11.	<b><u>ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9384, MONTE VILLA PHASE I</u></b> .....	<b>121</b>
	<b><u>Recommended Action(s):</u></b>	
	1. <u>Adopt</u> the Resolution Accepting the Subdivision Improvements Included in Tract 9384, Commonly Known as Monte Villa Phase I; and	
	2. <u>Direct</u> the City Clerk to File a Notice of Completion with the County Recorder's Office.	
12.	<b><u>ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9385, MONTE VILLA PHASE II</u></b> .....	<b>127</b>
	<b><u>Recommended Action(s):</u></b>	
	1. <u>Adopt</u> the Resolution Accepting the Subdivision Improvements Included in Tract 9385, Commonly Known as Monte Villa Phase II; and	
	2. <u>Direct</u> the City Clerk to File a Notice of Completion with the County Recorder's Office.	
13.	<b><u>ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9400, COYOTE ESTATES PHASE VI</u></b> .....	<b>133</b>
	<b><u>Recommended Action(s):</u></b>	
	1. <u>Adopt</u> the Resolution Accepting the Subdivision Improvements Included in Tract 9400, Commonly Known as Coyote Estates Phase VI; and	
	2. <u>Direct</u> the City Clerk to File a Notice of Completion with the County Recorder's Office.	
14.	<b><u>ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9461, COYOTE ESTATES PHASE VII</u></b> .....	<b>139</b>
	<b><u>Recommended Action(s):</u></b>	
	1. <u>Adopt</u> the Resolution Accepting the Subdivision Improvements Included in Tract 9461, Commonly Known as Coyote Estates Phase VII; and	
	2. <u>Direct</u> the City Clerk to File a Notice of Completion with the County Recorder's Office.	

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	<b>Consent Calendar: 1 - 10 Minutes</b>	
15.	<b><u>FIRST AMENDMENT TO COUNTYWIDE HOUSEHOLD HAZARDOUS WASTE AGREEMENT</u> ....</b> <b><u>Recommended Action(s):</u> <u>Direct</u></b> Staff to Execute the Agreement with the County.	<b>145</b>
16.	<b><u>EXTENSION OF SUBDIVISION IMPROVEMENT AGREEMENT – ALCINI PARTNERSHIP</u> .....</b> <b><u>Recommended Action(s):</u> <u>Grant</u></b> Limited Amendment to Subdivision Improvement Agreement.	<b>149</b>
17.	<b><u>2003 ANNUAL CONSUMER CONFIDENCE REPORT REGARDING WATER QUALITY</u> .....</b> <b><u>Recommended Action(s):</u></b> For Council <b><u>Information</u></b> only.	<b>165</b>
18.	<b><u>APPROVE SPECIAL CITY COUNCIL MINUTES FOR MEETING OF APRIL 28, 2004</u> .....</b>	<b>171</b>
19.	<b><u>APPROVE SPECIAL CITY COUNCIL MINUTES FOR MEETING OF MAY 5, 2004</u> .....</b>	<b>175</b>

## ***City Council Action***

### **CONSENT CALENDAR: (Continued)**

#### **ITEM 20-21**

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	<b>Consent Calendar: 1 - 10 Minutes</b>	
20.	<b><u>ACCEPTANCE OF SIDEWALK, CURB &amp; GUTTER REMOVAL AND REPLACEMENT, PHASE III 2003-2004 PROJECT</u> .....</b> <b><u>Recommended Action(s):</u></b> 1. <b><u>Accept</u></b> as Complete the Sidewalk, Curb & Gutter Removal and Replacement, Phase III 2003-2004 Project in the Final Amount of \$95,874; and 2. <b><u>Direct</u></b> the City Clerk to file the Notice of Completion with the County Recorder's Office.	<b>179</b>
21.	<b><u>SUBDIVISION, SD-04-07: CENTRAL-SOUTH COUNTY HOUSING</u> .....</b> <b><u>Recommended Action(s):</u> <u>Take No Action</u></b> , Thereby Concurring with the Planning Commission's Decision Regarding Approval of the Subdivision Map.	<b>189</b>

## ***Redevelopment Agency Action***

### **CONSENT CALENDAR:**

#### **ITEM 22**

**Time Estimate** **Page**  
**Consent Calendar: 1 - 10 Minutes**

22. **MORGAN HILL UNITED METHODIST CHURCH LOAN MODIFICATION** ..... 217  
**Recommended Action(s):**  
1. **Amend** the Existing Loan Agreement with the United Methodist Church to Allow for the 6-1/2 Year Extension of Repayment Period and the Temporary Suspension of Principal Payments as Requested; and  
2. **Authorize** the Executive Director to do Everything Necessary and Appropriate to Amend and Execute the Loan as Approved, Subject to City Attorney Review.

## ***City Council and Redevelopment Agency Action***

### **CONSENT CALENDAR:**

#### **ITEMS 23-25**

**Time Estimate** **Page**  
**Consent Calendar: 1 - 10 Minutes**

23. **CITY MANAGER'S PROPOSED 2004-2005 BUDGET AND CAPITAL IMPROVEMENT PROGRAM** ..... 221  
**Recommended Action(s):**  
1. **Receive** the City Manager's Proposed 2004-2005 Budget & Capital Improvement Program (CIP);  
2. **Set May 21, 2004** as a Budget Workshop and CIP Workshop;  
3. **Set June 2, 2004** as a Public Hearing on the Budget; and  
4. **Set June 16, 2004** for Adoption of the 2004-2005 Budget.
24. **APPROVE JOINT REGULAR REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MINUTES FOR MEETING OF APRIL 28, 2004** ..... 223
25. **APPROVE JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MINUTES FOR MEETING OF MAY 5, 2004** ..... 239

## ***City Council Action***

### **PUBLIC HEARINGS:**

**Time Estimate** **Page**

26. **5 Minutes** **SOLID WASTE MANAGEMENT RATE ADJUSTMENT** ..... 261  
Public Hearing Opened.  
Please Limit Your Remarks to 3 Minutes. Public Hearing Closed  
Council Discussion.  
Action- **Adopt** the Refuse Rate Resolution.

**PUBLIC HEARINGS:**

	<b>Time Estimate</b>		<b>Page</b>
27.	10 Minutes	<b><u>DEVELOPMENT AGREEMENT APPLICATION, DA-03-09: NATIVE DANCER-QUAIL MEADOWS</u></b> .....	271
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <b><u>Motion to Waive</u></b> the Reading in Full of Development Agreement Ordinance.	
		Action- <b><u>Motion to Introduce</u></b> Development Agreement Ordinance by Title Only. (Roll Call Vote)	
28.	5 Minutes	<b><u>DEVELOPMENT AGREEMENT APPLICATION, DA-04-02: CENTRAL-SOUTH COUNTY HOUSING</u></b> .....	299
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <b><u>Motion to Waive</u></b> the Reading in Full of Development Agreement Ordinance.	
		Action- <b><u>Motion to Introduce</u></b> Development Agreement Ordinance by Title Only. (Roll Call Vote)	

## ***Redevelopment Agency Action***

**OTHER BUSINESS:**

	<b>Time Estimate</b>		<b>Page</b>
29.	30 Minutes	<b><u>REPORT FROM THE MORGAN HILL DOWNTOWN ASSOCIATION</u></b> .....	323
		<b><u>Recommended Action(s):</u></b>	
		1. <b><u>Receive</u></b> Presentation from the Morgan Hill Downtown Association (MHDA); and	
		2. <b><u>Direct</u></b> Staff How to Proceed.	

## ***City Council Action***

**OTHER BUSINESS:**

	<b>Time Estimate</b>		<b>Page</b>
30.	10 Minutes	<b><u>AGREEMENT BETWEEN THE CITY AND INDEPENDENCE DAY INCORPORATED (IDI) TO CO-SPONSOR THE FOURTH OF JULY ACTIVITIES</u></b> .....	372
		<b><u>Recommended Action(s):</u></b>	
		1. <b><u>Determine</u></b> the Level of City Financial Participation; and	
		2. <b><u>Authorize</u></b> an Agreement with IDI, Subject to Review and Approval by the City Attorney.	

**FUTURE COUNCIL-INITIATED AGENDA ITEMS:**

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

**ADJOURNMENT**